

Undertakings to California Department of Insurance

The following are the proposed undertakings Anthem, Inc. has submitted to the California Department of Insurance in support of their application to acquire BC Life & Health Insurance Company. These undertakings have not been accepted nor rejected by the Department of Insurance, and the parties remain in discussions.

Anthem, Inc. ("Anthem") has filed a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Form A") with respect to BC Life & Health Insurance Company ("BC Life"). The Form A seeks the approval of the California Department of Insurance ("DOI") for the change of control of BC Life that would occur upon the proposed merger ("Merger") of BC Life's ultimate parent company, WellPoint Health Networks Inc. ("WellPoint") with and into an unaffiliated entity, Anthem Holding Corp. ("AHC"). AHC is an Indiana corporation and is a wholly-owned subsidiary of Anthem, which is the ultimate parent company of a number of Blue Cross and Blue Shield companies that operate outside California.

Upon the closing of the Merger, WellPoint will be merged with and into AHC, with AHC as the surviving entity, and the separate corporate existence of WellPoint will cease effective as of the closing of the Merger. As a result, this transaction will result in a change in control of BC Life, which will become an indirect subsidiary of Anthem. Also at the time of the Merger, Anthem will be renamed "WellPoint, Inc." The transaction will not result in any other material changes to BC Life or have a material effect on BC Life's operations. BC Life is an affiliate of Blue Cross of California ("BCC"), a health care service plan regulated under the Knox-Keene Health Care Service Plan Act. BCC will also become an indirect subsidiary of Anthem as a result of the Merger.

BC Life hereby provides the undertakings set forth below to the DOI in connection with the Form A. These undertakings shall take effect immediately upon the closing of the Merger. Anthem and AHC each also has executed these undertakings. By doing so, Anthem and AHC each agrees that it will not require or cause BC Life to violate any of these undertakings.

Undertaking 1. BC Life and Anthem undertake (1) that all of the change in control severance payments and retention bonus payments payable by reason of the Merger under the terms of the WellPoint Health Networks Inc. Officer Change in Control Plan and the other arrangements described in pages 69 through 72 of the Joint Proxy Statement/Prospectus of WellPoint and Anthem relating to the merger (together, "CIC Plan") will be the sole payment responsibility of Anthem, (2) that Anthem will have on hand cash immediately prior the closing of the Merger that is adequate to discharge all obligations relating to the Merger which may arise under the CIC Plan, (3) that no amounts whatsoever relating to the CIC Plan will be the obligation of BC Life or BCC, and (4) that no such amounts will be charged to or made the responsibility of BC Life or BCC under any reimbursement or cost allocation arrangement.

Undertaking 2. BC Life will not declare or pay dividends, make other distributions of cash or property in respect of its capital stock, or in any other way upstream any funds or property to its corporate parents (hereinafter referred to as "Parent Company Distributions") if such actions would (a) cause BC Life to have a net premium to policyholder surplus ratio equal to or greater than 6-to-1, (b)

cause BC Life's Total Adjusted Capital to be less than 250% of Company Action Level Risk-Based Capital, or (c) adversely affect the ability of BC Life to have sufficient cash flow to carry out its obligations to its insureds under the California Insurance Code. Additionally, for a period of three years from the effective date of the Merger, BC Life will not make any Parent Company Distributions that would deviate from historical practices (when viewed in proportion to BC Life's operating performance and financial condition). The limitation in the preceding sentence will not apply if after payment of any such Parent Company Distributions, BC Life's Total Adjusted Capital would be at least 275% of Company Action Level Risk-Based Capital.

Undertaking 3. BC Life will not make any Parent Company Distribution if such actions would cause BC Life to fail to maintain Liquid Assets (as defined) in an amount that equals or exceeds 150% of BC Life's average monthly Total Expenses (as defined) for the last two consecutive quarters for which financial statements have been filed with the DOI immediately prior to the date on which BC Life makes a Parent Company Distribution. For purposes of this undertaking, (i) Liquid Assets shall equal the total of cash and invested assets, defined as the sum of the amounts shown in BC Life's statutory financial statement on Page 2 – Assets, column 3, lines 1,2, 5 and 8 and (ii) Total Expenses shall be equal to the sum of the amounts shown in BC Life's statutory financial statement, Page 5 – Cash Flow, column 1, lines 5, 6 and 7. In each Quarterly Financial Report filed with the DOI, BC Life shall include a calculation showing the total Liquid Assets on hand at the end of the calendar quarter covered by such Quarterly Financial Report and 150% of the average monthly Total Expenses incurred during the calendar quarter covered by such Quarterly Financial Report and the immediately preceding calendar quarter.

Undertaking 4. BC Life will not take any of the following actions without the DOI's prior written approval: (a) co-sign or guarantee all or any portion of any current or future loans and/or credit facilities entered into by Anthem or any of Anthem's affiliates, (b) permit any portion of loans obtained by Anthem or any of its affiliates to be assumed by BC Life, (c) allow a pledge or hypothecation of BC Life's assets or capital stock in any way in connection with any current or future loans of Anthem or any of its affiliates, or (d) borrow any funds or otherwise incur any indebtedness for the purpose of making a Parent Company Distribution, or paying any obligation of any of its affiliates, except any Parent Company Distribution that is made in full compliance with Undertaking 2 above, or a payment made pursuant to any written agreement between or among BC Life and any of its corporate parents or affiliates approved in writing by the DOI. Anthem's affiliates include but are not limited to AHC and BCC and the other subsidiaries acquired by Anthem pursuant to the Merger.

Undertaking 5. In connection with each Quarterly Financial Report filed with the Department by BC Life, BC Life shall file with the DOI, on a confidential basis, a schedule that reports the estimated range of incurred-but-not-reported claim liability at the end of each such quarter and the amount of incurred-but-not-reported claim liability [define by reference to BC Life financial statements] of the Quarterly Financial Report filed with the DOI by BC Life for such calendar quarter. The estimated range of incurred-but-not-reported claim liability at the end of each such quarter shall be (i) prepared by BC Life's independent public accounting firm as part of such firm's review of BC Life's interim financial statements, (ii) prepared by BC Life and reviewed by BC Life's independent public accounting firm, in the ordinary course, as part of such firm's review of BC Life's interim financial statements or (iii) prepared or reviewed by BC Life's independent public accounting firm as part of such firm's audit of BC Life's year-end financial statements. In the event BC Life's independent public

accounting firm does not agree to provide the DOI with this prepared or reviewed range, then BC Life shall obtain, provide and include as part of its required financial filings an estimated range from an independent actuarial firm acceptable to the DOI. In connection with the making of this undertaking, BC Life has been informed by the DOI that the DOI will grant confidential treatment, to the extent permitted by law, to the information filed pursuant to this Undertaking 5 and will provide BC Life with appropriate prior notice of any judicial or other effort to compel the DOI to disclose this confidential information in accordance with California law.

Undertaking 6. BC Life will renew and not terminate any health benefit plan in full compliance with the California Insurance Code and will not terminate any health benefit plan before the end of its contract term, except as expressly permitted by the California Insurance Code. If BC Life withdraws a health benefit plan from the market it will provide advance notice to the DOI and the policyholders covered by that health benefit plan and will permit each such policyholder to select continued coverage from among BC Life's other health benefit plans without regard to any health status related factor. If BC Life ceases to write, issue, or administer new group or individual health benefit plans in California, affected former policyholders of BC Life will be provided the opportunity to elect continued coverage under the most nearly comparable health benefit plan from BCC without regard to any health status related factor. For a period of three years following the effective date of the Merger, should BC Life withdraw a health benefit plan from the market or cease to write, issue, or administer new group or individual health benefit plans in California, if an insured then enrolled in an affected health benefit plan has a pre-existing condition and still has time remaining before he/she may receive coverage for treatment for that condition, the remaining time requirement for the pre-existing condition exclusion will be waived if the insured enrolls in another BC Life or BCC health benefit plan as provided in the preceding sentences within the time requirements for eligibility for such products as required by applicable law.

Undertaking 7. An important premise of the Merger is that (1) BC Life and BCC will continue their historic role in serving the California marketplace, (2) BC Life after the Merger will continue the same marketplace approach in effect prior to the Merger and (3) changes in such approach will not be occasioned solely by reason of the Merger. Accordingly, after the Merger, BC Life will maintain its efforts in the areas of providing services to governmental entities such as CalPERS, school districts and joint powers authorities on the same basis as prior to the Merger, assuming the same market, economic and other conditions that currently exist.

Undertaking 8. An important premise of the Merger is that (1) BC Life and BCC will continue their historic role in serving the California marketplace, (2) BC Life after the Merger will continue the same marketplace approach in effect prior to the Merger and (3) changes in such approach will not be occasioned solely by reason of the Merger. Accordingly, after the Merger, BC Life will maintain its efforts in offering and renewing individual and small group products on the same basis as prior to the Merger, assuming the same market, economic and other conditions that currently exist.

Undertaking 9. Recognizing that BC Life relies upon BCC and certain other affiliates to support and provide the infrastructure and personnel for conducting BC Life's business, Anthem undertakes to ensure that BCC complies with the requirements under the Knox-Keene Act that BCC maintain its (and correspondingly BC Life's) organizational and administrative capacity in California, including without limitation, all persons responsible for and having discretion with respect to medical decision-making,

its prior authorization and referral system, Independent Medical Review processes, enrollee grievance system (including any appeal system), and provider dispute resolution process. After the effective date of the Merger, Anthem also undertakes to cause its affiliates to make available to BC Life any infrastructure, personnel or services necessary for the conduct of the business of BC Life that are not provided directly through BC Life's own resources or staff.

Undertaking 10. BC Life will pay for the costs of all reviews the DOI determines in its reasonable discretion it will conduct regarding these undertakings.

Undertaking 11. BC Life agrees that it shall not remove, require the removal, permit, or cause the removal of BC Life's books and records, as defined in the California Insurance Code, from California before obtaining the written approval of the DOI.

Undertaking 12. After the effective date of the Merger, if BC Life decides to amend, change, terminate or replace its administrative services agreement(s) with WellPoint, Anthem or any of their affiliates, BC Life will file the changes with the DOI and will not implement such changes until after such changes have been approved.

Undertaking 13. After the effective date of the Merger, if BC Life decides to amend, change, terminate or replace its tax sharing agreements, BC Life will file any changes to those tax sharing agreements with the DOI and will not implement such changes until after such changes have been approved.

Undertaking 14. BC Life represents to the DOI that it does not anticipate that, for a period of three years following the effective date of the Merger, BC Life's Administrative Expense Ratio (defined as gross administrative expenses divided by net premium income and reimbursements by uninsured accident and health plans) will exceed BC Life's average Administrative Expense Ratio, as previously defined, for the years 2000-2003. In the event BC Life reasonably anticipates that its Administrative Expense Ratio, as previously defined, will exceed this threshold during this period, then BC Life shall promptly report in writing to the DOI: (1) the amount of the excess; (2) the reasons for the change (for example, changes in commission structure); (3) whether the change is related to the implementation of the Merger; and (4) demonstrate to the DOI's reasonable satisfaction that BC Life's administrative costs are in compliance with all requirements of the California Insurance Code.

Undertaking 15. The undertakings set forth herein shall be subject to the following terms and conditions:

Binding Effect. The undertakings set forth herein shall be binding on Anthem, AHC and BC Life and their respective successors and permitted assigns. If Anthem, AHC or BC Life fail to fulfill their obligations to the DOI as provided under the undertakings set forth herein, Anthem, AHC and BC Life stipulate and agree that the DOI shall have the authority to enforce the provisions of these undertakings in a California court of competent jurisdiction.

Governing Law. The undertakings set forth herein and their validity, enforcement, and interpretation, shall for all purposes be governed by and construed in accordance with the laws of the State of California.

Invalidity. In the event any undertaking or any portion of any undertaking set forth herein shall be declared invalid or unenforceable for any reason by a court of competent jurisdiction, such undertaking or any portion of any undertaking, to the extent declared invalid or unenforceable, shall not affect the validity or enforceability of any other undertakings and such other undertakings shall remain in full force and effect and shall be enforceable to the maximum extent permitted by applicable law.

Duration. The undertaking set forth herein shall become upon the effective date of the Merger, and except as to those provisions of the undertakings that contain separate termination provisions, shall remain in full force and effect until terminated by Anthem, AHC and BC Life with the written consent of the DOI.

Third Party Rights. Nothing in the undertakings set forth herein is intended to provide any person other than Anthem, AHC, BC Life and DOI and their respective successors and permitted assigns with any legal or equitable right or remedy with respect to any provision of any undertaking set forth herein.

Amendment. The undertakings set forth herein may be amended only by written agreement signed by Anthem, AHC and BC Life and approved or consented to in writing by the DOI.

Assignment. No undertaking set forth herein may be assigned by Anthem, AHC or BC Life in whole or part without the prior written consent of the DOI.

Date: _____, 2004

Print Name: _____
Print Title: _____
BC Life & Health Insurance Company

Date: _____, 2004

Print Name: _____
Print Title: _____
Anthem, Inc.

Date: _____, 2004

Print Name: _____
Print Title: _____
Anthem Holding Corp.